

Cranberries

Duxbury Clipper

Wednesday, April 21, 1999

Local Growers Bogged Down in Cranberry Market Slump

By PAULA MAXWELL

Local cranberry growers are feeling the pinch of a downturn in the market caused by back to back surplus harvests which have driven down prices nationwide and led to local layoffs and financial hardship for some independent growers.

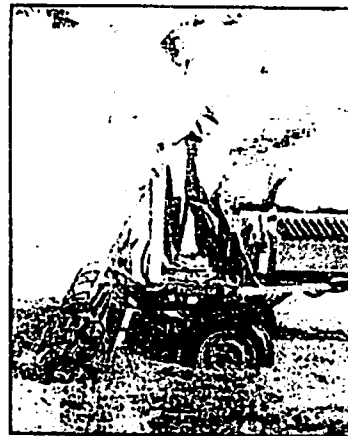
Locally, growers say that prices have dropped from a high of about \$85 a barrel in recent years down to \$35 a barrel and in some cases even lower.

An average bog acre produces about 130 barrels according to local independent grower Chris Geldmacher who manages 70 acres of bogs including 40 which are town owned.

Those who belong to the Ocean Spray cooperative like local growers Merry, Loring, Crowell, and Ricker will be paid for their crop but at a much lower amount than in recent years. Others who supply to independent handlers like Decas Bros and Hiller in Carver, with less certain markets still await final word on prices for their crops. Geldmacher, Koplovsky and many others deliver to them.

In good years, the independent market is often more lucrative than private cooperatives but in down years there is no security or guarantee the berries will have a market or how much they will bring.

Duxbury growers cultivate



Harvesting berries at the Merry bog on Temple Street.

about 500 acres of cranberry bogs in town.

Many local growers have not yet been paid for last year's

Continued on page 40

Local Growers Bogged Down in Cranberry Market Slump

Continued from page 1

crop. Uncertainties cause financial hardships with mortgage payments, cultivation and equipment needs.

Massachusetts is the second largest cranberry-growing state behind Wisconsin. Ocean Spray is still the largest cranberry producer. At the end of the fiscal year 808 cranberry growers and 121 grapefruit growers belonged to its coop-

erative of growers who own stock in the company which controls about 70 percent of the cranberry crop in the U.S. In addition to the U.S., cranberries are also grown in Canada, Japan, Ireland, Chile, and Eastern Europe.

For the first time in memory, Ocean Spray has suspended 1999 redemption payments to some growers looking to cash out Ocean Spray stock. The decision has reportedly

hurt some older growers who were planning to help finance retirement. The one year hiatus on stock redemption payments was called a regrettable necessity by company officials, who believe the future is brighter with foreign markets opening up.

Neal Merry of Merryland Co., a local grower whose family has been in the cranberry business for over 50 years, said the market will eventually sta-

bilize, "It's a case of over supply and under marketing right now," he said. "Marketing has just not kept pace with the production."

He said the Ocean Spray cooperative develops and markets to take the peaks and valleys out of the free market system. Growers cannot just jump in to the cooperative, which is limited in size. The company's cooperative decides who will be members, he said.

Merry said that independents who got more per barrel in a peak market will be forced to accept below contract expectations or may not be chosen to contract in the future.

Merry, who is clearly glad to be with Ocean Spray still admitted, "we're by no means in fat city." Growers will have to ride out the downturn, he said. "A surplus is a grower's worst nightmare," said Merry.

Continued on page 41

Cranberry Slump

Continued from page 40

Geldmacher said the situation is serious for some growers who may have bought expensive pieces of land to grow cranberries several years ago when the market was good and now face mortgage payments and accepting whatever they can get for their berries. The average bog takes between three and six years before it starts producing a good sized crop of cranberries.

Ocean Spray has announced another round of layoffs; 100 more jobs from headquarters by the end of the month. The layoffs are the

third for the cooperative in less than three years.

Duxbury Conservation Administrator Joe Grady said that the town owns about 150 cranberry acres managed by Geldmacher, Black Cat, and Red Eye Cranberry Co., all of whom deliver to independent handlers.

In past years the cranberry crop has served the town well bringing in supplemental income.

Said Merry, who is also an assessor, "Maybe the town should look into adding another crematorium.